

## **What is a Bond?**

A bond is issued by a licensed surety company, and is a written obligation to pay a specified amount of money for a licensee's failure to perform as required by law. Before a company or individual can become licensed or registered in this state as a mortgage broker, lender, or servicer, they may be required to post a bond with the Office of Financial and Insurance Services, as proof of financial responsibility. The bond provides payment to the Commissioner for loss or damage resulting from specified law violations by the licensee. The law requires that the bond must be posted in amounts ranging from \$25,000.00 to \$125,000.00, depending on the license or registration type.

## **Which entities are required to post a bond?**

Mortgage brokers, lenders, and servicers are required to post a bond in most instances. However, prior to filing a claim, you should contact our office so that we can determine whether the company you wish to file the claim against has been required to post a bond. You may contact our office toll free at 1-877-999-6442.

## **Who can file a claim against a Bond?**

Borrowers, mortgage loan applicants, loan servicing customers, or their legal representative may file bond claims through the Office of Financial and Insurance Services.

## **What constitutes a valid bond claim?**

Claims filed against a bond may involve only mortgage loans or mortgage applications secured or to be secured by residential real property located in this state. The amount of the claim shall not exceed actual fees paid to a licensee or registrant in connection with a loan application, overcharges of principal and interest, and excess escrow collections charged by the licensee or registrant.

## **What is the procedure for filing a claim?**

You must submit a request in writing to this agency. You may use the attached bond [claim form](#) (link) for submission of this request. Your request should include an explanation of why you believe you are entitled to payment against the bond and copies of documents to support your claim. Please do not send original documents, send copies only. Documentation may include copies of the note, mortgage, settlement statement, loan application, cancelled checks or drafts, cashed money orders, and other evidence as applicable.

Submit your written request and documentation to:

Office of Financial and Insurance Services  
611 W. Ottawa St  
3<sup>rd</sup> Floor  
PO Box 30220  
Lansing, MI 48909-7720